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# STRATEGIES TO SCALE SOCIAL IMPACT

## A CASE STUDY ON VITAMIMOS

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## **ABSTRACT**

**Title:** Strategies To Scale Social Impact. A Case Study on Vitamimos.

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The phenomenon of social entrepreneurship has gained growing attention in recent years. The growth process of a social enterprise, however, can be more complex and difficult than the one of a traditional, profit-oriented firm. Indeed, even though much has been written about it, scaling social impact remains one of the biggest challenges for social entrepreneurs willing to reach more people in the community.

This thesis uses the literature on scaling social impact with the purpose of advising Vitamimos (a Portuguese non-profit organisation fighting childhood obesity and promoting healthier lifestyles among children) on how to scale. Additionally, this thesis can be used by university professors as a managerial case study in courses dealing with subjects of Impact Scaling, Social Entrepreneurship, Social Innovations, Management Consulting.

In this work, I identify and present some of the most important strategies that social enterprises can use to scale their impact. After conducting a qualitative analysis on the company, I conclude that Vitamimos has too many conflicting needs that are reducing its possibilities to scale. I suggest the company to ally with a powerful retailer that has previously shown interest in a collaboration with Vitamimos. Additionally, I invite the founder to spend more time creating a network of organisations and individuals that can help the company to scale. Finally, I encourage the founder to leverage the Web to scale its social innovation The Carrot Lollipop.

**Keywords:** Social Impact, Social Entrepreneurship, Social Enterprise, Scaling, Childhood Obesity.

## **RESUMO**

**Título:** Estratégias Para Escalar o Impacto Social. Um Estudo do Caso Sobre a Vitamimos.

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O fenómeno do empreendedorismo social tem ganho cada vez mais notoriedade nos últimos anos. Contudo, o processo de crescimento de uma empresa social, pode ser mais complexo e difícil do que uma empresa com fins lucrativos tradicional. De facto, mesmo embora muita coisa tenha sido escrita sobre este tema, o crescimento do impacto social permanece como um dos maiores desafios para os empreendedores sociais, na tentativa de fazer chegar a ajuda a cada vez mais pessoas na sua comunidade.

Esta tese, tem como propósito o aconselhamento da Vitamimos (uma empresa portuguesa sem fins lucrativos, que combate a obesidade infantil e promove estilos de vida mais saudável) sobre escalar o impacto social. Adicionalmente, esta tese poderá ser usada por professores universitários como caso de estudo em cursos sobre o Empreendedorismo Social, Inovações Sociais, Consultoria de Gestão.

Neste trabalho, identifico e apresento algumas das mais importantes estratégias que empresas sociais podem usar para fazer crescer a sua influência. Após realização de uma análise qualitativa na empresa, conclui-se que a Vitamimos tem demasiadas necessidades conflitantes, o que limita as suas possibilidades de crescimento.

Sugeria desta forma, que a empresa crie parcerias com uma grande empresa de retalho que anteriormente tenha demonstrado interesse em colaborar. Além disso, aconselharia o fundador a dedicar mais tempo na criação de interligações entre organizações e indivíduos, por forma a ajudar a empresa a crescer. Finalmente, incentivava o fundador a tirar partido da internet, o dos potenciais que tem na tentativa de promover a inovação social “The Carrot Lollipop”.

**Palavras-chave:** Impacto Social, Empreendedorismo Social, Empresa Social, Escala, Obesidade Infantil.

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## **LIST OF ABBREVIATIONS**

EDPF: Energias de Portugal Foundation

RQ: Research Question

SIC: Social Innovation Challenge

WHO: World Health Organisation

## 1. INTRODUCTION

### 1.1. Explanation of the case study

The purpose of this managerial case study is to advise Vitamimos on how to scale its impact and expand nationally.

Vitamimos is a Portuguese non-profit organisation that aims at preventing childhood obesity. Since 2007, the company has been actively empowering children from four to twelve years old (and their families) to develop healthier eating habits and lifestyles in harmony with the environment. The company is offering a solution to a problem that is already being addressed. However, the solutions offered in schools are only theoretical and not sufficient to have a practical impact on children's habits. Vitamimos, instead, offers practical activities with hands-on approaches where children learn how to cook healthy food. In this way, Vitamimos is able to have an impact on children habits and can therefore prevent and reduce childhood obesity. I decided to write the case study about Vitamimos because of its critical role in society; its fascinating mission, in line with my personal interests; its small size and eagerness to scale; and finally its location, that allowed to meet physically and on a weekly basis.

I am guided by the research question *How can Vitamimos scale its impact and expand nationally?* With the help of the founder of the company, I was able to break down the research question into three more specific challenges that the company is currently facing:

**RQ1:** Should Vitamimos accept the offer advanced by the food retailing company that recently approached them?

**RQ2:** What strategy should Vitamimos use to scale nationally?

**RQ3:** How should the founder change her role in order to help the company scale its impact?

In the literature review, after being introduced to the concepts of social entrepreneurship and social enterprise, the reader will find theories from different academics that will help defining and explore the topic of scaling social impact. With the findings of Bradach (2010), Dees (1998), Weber et al. (2015), Cannatelli (2016), Dees, Anderson and Wei-Skillern (2004), and many more, the main challenges, motivations and issues connected with impact scaling will be presented. The last part of the literature focuses on the strategies that social enterprises can use to scale their impact. This part is divided in three blocks in order to fit the research questions presented above.

## **1.2. Data collection**

To develop the case study multiple data sources were used including interviews, field observations, records of the company's activities and beneficiaries, emails exchange, consulting reports, financial statements, and more. Table 1.1 provides a detailed list of the sources of information used.

**Table 1.1.** Description of the sources used to develop the case study.

Type of data	Source	Contents
<i>Interviews</i>	Ana, January 31 <sup>st</sup> , 2018	History of the company; challenges currently facing.
	Ana, April 18 <sup>th</sup> , 2018	Additional information on history of the company; challenges and problems; objectives of the company; partnerships and relationships with other players.
	Ana and Erica, April 27 <sup>th</sup> , 2018	Detailed description of the primary activities; financial information; communication tools used; HR structure.
	Ana, May 5 <sup>th</sup> , 2018	Detailed description of the secondary activities; additional general information.
<i>Field observation</i>	Vitamimos building, April 27 <sup>th</sup> , 2018	Consultation of books, reports and other material; observation of <i>modus operandi</i> of Vitamimos' site and cafeteria.
<i>Internal Data</i>	Accountability Report	Revenues and expenditures of Vitamimos in 2016.
	Record of Activities	List of the activities delivered in 2016-2017 with respective number of participants.
	Annual Report for the Board of Directors of the Association Vitamimos, March 25 <sup>th</sup> , 2018	Summary of activities conducted and objective achieved in 2016.
	Email Exchange	General information about the company; prices of activities; pictures and articles.
	Plano de Ação 2015-2018	List of all activities planned and effectively delivered between 2015 and 2018.
	Flyers of Activities	Information on the activities that Vitamimos communicate to the public (i.e. dates, prices, requirements, content, etc.).
<i>Third party data</i>	Deloitte Report	Description of the project; activities offered; sources of income; impact of the company; social mission.
	Impact Generator Report	Summary of the company; societal problem; market analysis; analysis of competitors.

## 2. CASE STUDY

### 2.1. History of Vitamimos

*- I just said “I want to do it, I will find a way, but I want to do it”. So I sold the house where I lived to build this, where we are sitting now. -*

Ana Ai Quintas, Founder and CEO of Vitamimos

January 2007

After having prepared the upcoming lessons for her high-school classes, Ana was ready to relax, drinking a cup of *chá* with the attempt of warming up. It was a particularly cold afternoon, that day in Carcavelos, Portugal.

She was navigating the Web when, without really knowing how, she found herself in front of an article on childhood obesity. For her, it was an article like any other. She had never been interested in the topic before and none of her relatives or friends were obese. But while she sat there, reading, something got triggered. Ana did not know that, ten years after reading that article, she would have spent her days trying to bring healthier eating habits and lifestyles to thousands of children in Portugal.

The article Ana coincidentally bumped into was linked to the report of the recent meeting *WHO European Ministerial Conference on Counteracting Obesity (Istanbul, Turkey, 15–17 November 2006)*. The report acknowledged obesity as one of the most serious problems of the European Region, particularly alarming in children and adolescent. Additionally, the text encouraged immediate action on both micro and macro levels, from Governments and from private organisations, underlining the effects of obesity on economic and social development (WHO, 2006). While reading the report, Ana realized that there was a gap in the educational system. Being a high school teacher, she had the opportunity to see that the important topic of

nutrition was only assessed theoretically and was missing the practical component. The report triggered something in Ana who felt that she had to take action: she knew how to reach children and how to communicate with them as well as she had the methodology to do so. In other words, she knew she could make this thing happen.

She started by developing some ideas that made her win the first edition of *Concurso de Ideias de Negócios* in Cascais, Portugal - a competition for new/future entrepreneurs with innovative projects. This first achievement, even if small, was the right push that motivated Ana to go further. She had always been a teacher and at that time she knew nothing about social entrepreneurship, non-profit organisations or about how to run a company. In addition to this, as it often happens in these situations, money was one more difficulty to deal with. However, regardless the complications and the risk, in 2007 she sold her private house and went all in.

Right after winning the *Concurso de Ideias de Negócios* in Cascais, Vitamimos started collecting data and testing solutions. This was a necessary step to validate the ideas and receive a first feedback. Additionally, this practice allowed Ana to gain additional knowledge and confidence, crucial to go further with the project and implement new solutions. They started in the school where Ana was teaching, monitoring for instance what type of food children would bring to school. The results were shocking: children brought to school an excessive amount of unhealthy food and therefore, fresh fruits and vegetables were missing. As a consequence, Ana came out with the first pilot program: a contest where, for two months, children had to bring some fruit to school in their lunchboxes. The idea was simple: teachers would check daily if the student brought one piece of fruit in their lunchbox. If the child had achieved the task, he or she would receive a stamp certifying the accomplishment of the challenge. The interesting characteristic of this project was that, even though parents were the ones who decided what their children should bring to school, Ana was determined not to involve them in the activity and not to communicate with them. In this way, she was empowering the students, making them feel responsible and, most importantly, letting them decide to consciously eat healthier (instead of imposing it to them from above). The results of this pilot period had shown an incredibly high level of involvement from the children that were loving the project. Additionally, a few months after the contest was over, Vitamimos decided to do another inspection that proved the success of the program. There had been a behavioural change in the majority of the children who were enjoying bringing and eating fruits at school.

The positive results of the pilot as well as the new, fun and empowering approach to prevent childhood obesity, drew the attention from the local institutions. As a matter of fact, in that first year, 2007, Ana signed a ten years permission with the municipality that allowed her to build a structure for Vitamimos in a public garden in Carcavelos. Bureaucracy slowed down the process but after four years, in 2011, the construction of the building ended and Vitamimos opened its doors to the public.

Since 2011, Ana has seen the company evolve: the number of activities sold to schools increased by approximately 20% each year and families have shown growing interest in the activities, acknowledging the importance of healthy lifestyles for their children. Moreover, thanks to the constant development of new activities (allowing to address a broad range of problems at different prices), the number of beneficiaries addressed reached approximately 3000 children in 2016, a big success for the company. However, Vitamimos remains a small sized non-profit operating in a constrained region (90% or more of all activities are conducted in the schools within the area around Carcavelos). Ana, as the majority of social entrepreneurs, wants to have the biggest impact as possible (Bloom and Chatterji, 2009): “if we are doing a hundred, why can’t we do one thousand? And once we do one thousand, why can’t we do ten thousand?” (Interview with Ana, May 5<sup>th</sup>, 2018). Therefore, the biggest challenge that Vitamimos is facing at present is to scale its impact. There are plenty of other families and children, in Portugal and in the World, that are not aware of the problem or that are not incentivised, and that Vitamimos can help.

## **2.2. Understanding the problem, an overview on child obesity**

Obesity is a serious health problem affecting the society as a whole. Its global prevalence nearly doubled in the last thirty years (WHO, 2015) and, according to the article “*Overweight and obesity - BMI statistics*” (Eurostat, 2017), the number of overweight and obese people in the EU has rapidly increased: in 2014 more than 50% of the EU population aged 18 or older was overweight and more than 20% was obese. These values are alarming considering that obesity is highly correlated and increases the risk of developing chronic diseases like diabetes,

hypertension, cardiovascular diseases and cancers; moreover, it is a significant cause of lower productivity and higher costs for society (Finkelstein, Graham and Malhotra, 2014; Eurostat, 2017; WHO, 2015).

One of the ways to address adult obesity is through prevention on children (Finkelstein, Graham and Malhotra, 2014). Indeed, more than 60% of the children that are overweight will be overweight in their adulthood (WHO, 2008). Moreover, childhood obesity itself is one of the most pressing societal problems of our time, which makes it become a crucial public health challenge (Santos et al., 2016).

According to WHO (2015), more than 41 million children worldwide, aged less than five, were overweight or obese in 2015 (more than 80% of whom lived in developed countries). One every three children in Europe is overweight or obese (WHO, 2008) and Portugal is not an exception. Even though there has been a decrease of the phenomenon since 2008, the values are still critical considering that in 2016 more than 30% of Portuguese children were overweight and nearly 12% were obese (Rito et al., 2017).

The implications of childhood obesity are not only on physical health, as it was mentioned above when saying that obesity is correlated with different chronic diseases. Indeed, according to a report by Impact Generator (2017), obese and overweight children have higher chances of developing *psychological conditions* (i.e. having low self-esteem or depression). The same report states that obesity has *social implications* (i.e. being bullied, socially excluded or discriminated) and *economic implications* (i.e. increase in health expenses). Concerning this last effect, it was estimated that an obese child will face lifetime medical costs that are \$19,000 higher than those of a normal weight child (Finkelstein, Graham and Malhotra, 2014).

The causes of childhood obesity can be diverse. According to Impact Generator (2017), in addition to *genetic reasons* and *difficult socio-economic contexts*, the main causes behind this phenomenon are *unhealthy eating habits* and *under-exercising*. Unhealthy eating habits are related to the fact that children are excessively exposed to unhealthy food. This happens in schools as well as at home, with families and friends. Behind this, however, there is the fact that often families are not aware of the consequences of unhealthy diets on our health; there is the excessive exposure to marketing of junk/package food; and most importantly the lack of an



appropriate education on nutrition in schools. Concerning the lack of physical activity, the causes are found in the family environment where sedentary lifestyles are promoted (i.e. children playing excessively with computers and videogames) and where family members do not have the time or the consciousness to encourage physical exercise (Santos et al., 2016; Impact generator, 2017).

### **2.3. Vitamimos**

If you go to Jardim da Quinta da Alagoa, in Carcavelos, you find a beautiful, medium sized garden with different species of animals. If you decide to sit down and grab a coffee (or a carrot on a stick, the *carrot lollipop*) you will have a nice looking, prefabricated building, hosting a Café, a nice terrace and the area in which many of the activities of Vitamimos take place. The choice of the place was carefully conducted in a way that would guarantee the perfect logistic to conduct the activities, the possibility to reach different segments of the population (belonging to different social classes) and the ability to conduct the main food-related projects while promoting outdoor activity and sports.

The company today is a not-for-profit organisation, directed by Ana Ai Quintas, that aims at preventing childhood obesity. Since 2007, Vitamimos has been actively empowering children from four to twelve years old (and their families) to develop healthier eating habits and lifestyles in harmony with the environment.

The important topic of obesity and more in general of healthy nutrition is already being addressed in schools. However, the solutions offered by schools are only theoretical and they are missing the practical component. This type of *only-theoretical* education is inadequate to have a real, practical impact on the eating habits of children. As the reader will understand from the activities delivered, Vitamimos is not providing a premade solution to children by telling them (or their families) what they should do. Instead, Vitamimos is giving children the necessary tools to have a better lifestyle. They let them choose to eat healthier, rather than telling them to do so. Vitamimos is empowering children through fun, practical projects that allow them to engage with

the activities they are doing. In this way Vitamimos is able to passively change children's habits, therefore preventing and reducing obesity.

### 2.3.1. Activities

Vitamimos activities can be divided between primary and secondary. By *primary activities*, I want to refer to those activities that are at the core of the company. These activities have the primary objective of generating impact, they help the company accomplishing its mission. These are the activities without which Vitamimos would not exist. The majority of these activities generate revenues, with different margins of profitability. By *secondary activities*, I mean those activities that are delivered only to generate revenues to cross-subsidise the core operations of Vitamimos. These activities are not delivered with the intention of generating an impact related to the mission, however it is easy to have an indirect positive effect that transmits the core values of the company to the clients. Table 2.1 shows the main activities belonging to the two groups.

**Table 2.1.** Illustration of the main primary and secondary activities.

<u>Primary Activities</u>	<u>Secondary Activities</u>
Eco-Chefs	Catering Services
Health-Chefs	Events
The Carrot Lollipop	Birthday Parties
Growing and Cooking	Room Rental
Decorated Sandwiches	Cafeteria (rent)
Hurray the Soup	
Hurray the Fruit	
Delights from the Garden	
Other Activities	

### *Primary Activities*

Eco-chefs and Health Chefs are the two signature activities of Vitamimos: these are indeed the two primary activities that generate the biggest revenues and have the greatest impact (they both have large numbers of beneficiaries and they have a deeper impact on the children).

**Eco-chefs** is an educational program that has the double objective of promoting healthy eating habits while encouraging environmentally-friendly behaviours. This program is based on peer-to-peer education and is delivered through schools, like the majority of the activities offered by Vitamimos. For this kind of programs, the schools can decide if they want to go to the Vitamimos' building in Carcavelos, or if they prefer to carry out the activities in their school, in this way avoiding to organize the trip for the students. To better understand Eco-chefs, it was divided in three steps.

**Figure 2.1.** Eco-Chefs: front page of the flyer of the program.



The first step: a group of nutritionists meets with classes of older students, aged between 12 and 15. After showing the importance of healthy food and healthy lifestyles to the students, Vitamimos engage with the children by helping them cook some recipes and by eating together what they have prepared. The objective of this session is not only to raise awareness on food and health education. Indeed, after this first part of generating awareness, students are introduced to the program Eco-Chefs and, those who are interested, are invited to participate as volunteers. The interested students will then receive a two-hours training session from Vitamimos to gain the necessary skills to become the “ambassadors” for the younger fellow students. In recent years there were more “applicants” than the necessary volunteers. Therefore, Vitamimos ended up creating a selection process where students were asked to pitch their motivations to take part in the program.

**Figure 2.2.** Eco-Chefs: older students teach the importance of healthy eating habits to primary school children.



The second step: once the older students have been trained, they gather in groups of four or five and they go to a primary school class (with children aged between six and twelve years old), accompanied by a nutritionist, to raise awareness on the importance of healthy eating habits and environmentally friendly practices. This happens with a fun approach that combines practical activities (preparing healthy dishes following recipes) with content-based games (i.e. listing five food items high in sugar). At the end of the class, some tasks are given to the children so that they can continue the work at home, with their families and friends.

The third step: approximately one month after the session, a member of the staff from Vitamimos goes back to meet the primary school children in order to check if there has been any progress and if the students have completed the tasks at home with the families. Those who have successfully completed the tasks will receive the book “Eco-chefs”, that contains recipes, games and important information relating to healthy eating and environmentally-friendly habits.

Eco-chefs is the program that is currently affecting the biggest number of children. In the last academic year, from September 2016 to June 2017, Vitamimos was able to provide this activity to approximately 1500 children (half of which in the Municipality of Cascais).

The company is currently offering the program with three different packages represented in Table 2.2.

**Table 2.2.** Prices for the different combinations of Eco-Chefs.

<b>Activity</b>	<b>Price</b>
One session of 90 minutes	8,00€ per student
One session of 90 minutes and Eco-Chefs book	12,00€ per student
Two sessions of 90 minutes each and Eco-Chefs book	16,00€ per student

The other core activity of Vitamimos is **Health-Chefs**. This program was able to arrive to the final stage of the 2016 edition of the Social Innovation Tournament, which took place in Ljubljana, Slovenia.

Differently from the previous program, where older students would educate the younger ones, in this activity children themselves play the central role. As a matter of fact, this educational program empowers children and makes them responsible for their own health. As the founder said at the final stage of SIT 2016, “children feel important and they love it” (Quintas, 2016).

Health-Chefs has four different modules, each one addressing a different topic connected with obesity and unhealthy eating habits. The program is designed for students between six and nine years old. The idea is that in each year of school the children will focus on a different topic: they will address *sleep* in the 1<sup>st</sup> year, *hygiene* in the 2<sup>nd</sup>, *physical activity* in the 3<sup>rd</sup>, and *feelings and emotions* in the 4<sup>th</sup>.

Health-Chefs is offered with the same three packages (and at the same price) as Eco-Chefs. During the 90 minutes session, children learn about the importance of *sleep*, *hygiene*, *physical activity*, *feelings and emotions*, and their impact on our health. They will then perform some games related to the specific topic and will cook together some combined recipes. At the end of the session, children will receive the Health-Chefs book (Figure 2.3), including some fun activities to do with their family that will help them develop healthier lifestyles.

During the last academic year (September 2016 - June 2017), around 400 children took part to this activity.

**Figure 2.3.** Illustration of the four books of the program Health-Chefs (*Chefs de Saude* in Portuguese).



**Table 2.3.** Overview on the main primary activities.

Activity	Price per session per one person	Duration	Participants (2016)
Eco-Chefs	8,00€ to 16,00€	One or two sessions of 90mins	1500
Health-Chefs	8,00€ to 16,00€	One or two sessions of 90mins	400
The Carrot Lollipop	-	-	-
Growing and Cooking	12,00 €	60mins	150
Decorated Sandwiches	7,00 €	60mins	200
Hurray the Soup	6,00 €	90mins	100
Hurray the Fruit	6,00 €	50mins	100
Delights from the Garden	6,00 €	90mins	200
Other Activities	-	-	350
Total Participants			3000

Other primary activities include *Hurray the Soup*, *Hurray the Fruit*, *Decorated Sandwiches*, *Mimic the Health!*, *Delights from the Garden*, and many others (see Table 2.3). In these workshops children learn about the importance of healthy eating by preparing healthy recipes. Independently from the type of program, at the beginning of each session there is always a short theoretical introduction where, with the support of a presentation, Vitamimos generates awareness among the students. After this first theoretical approach (which lasts around 15 minutes), the rest of the session is practical. Depending on the activity, students will cook healthy soups (i.e. *Hurray the Soup*) or the younger ones will prepare sandwiches with healthy food and decorate them to resemble their favourite animal, a flower or a cartoon character (*Decorated Sandwiches*, Figure 2.4). These activities are characterised by a lower price (ranging between 5,00€ and 7,00€ per student) and a shorter duration of approximately one hour. Additionally, these programs are given on one shot, there are no follow-up activities and they are not supported by an activity book.

**Figure 2.4.** Children preparing *Decorated Sandwiches*.



The activities presented so far are all delivered through schools, which implies that are not open to the public (i.e. individual children or families). Some other activities, however, like *Growing and Cooking* or *The Healthy Drink Workshop* are offered throughout weekends and they target individual children, aside from schools. Moreover, some of these programs are directed to children and parents together.

A great example of this type of activities is **Growing and Cooking**, which takes place on Sunday mornings. Each session lasts one hour and takes place in Vitamimos' building in Carcavelos, where the company has a small vegetable garden for some of their activities. The workshop *Growing and Cooking* can be divided in three parts: the first one in the garden, where children and parents take care and collect the vegetables; the second one in the kitchen, cooking with the vegetables previously collected; and the third one happens all together at the table, eating what they have cooked. Each Sunday the participants will cook a new recipe, carefully selected depending on the season (in order to allow the children and their parents to cook using the vegetables from the garden). Particularly interesting is the fact that the activities are distributed in different sections during the year, where each section will target a specific category of dish. For instance, in the April section the workshops will focus on *starters*, in May on *sides*, in June on *fish dishes*, etc. In this way, the participants willing to attend different classes



throughout the year will know enough recipes to cook a full healthy menu, from starter to dessert. The price of a single session for one person is of 12,00€, otherwise there is the possibility to pay 35,00€ per month and attend all workshops.

The objective of this project is to teach children and parents how to cook together as well as to provide them with the essential skills to grow their own fruits and vegetables at home. This is an effective way of making children eat more fruits and vegetables since kids are excited by the idea of trying something they grew themselves. Moreover, involving parents and encouraging them to replicate the vegetable garden at home, will have an indirect impact on friends and relatives.

On paper this program should be among the core activities. However, in practice, Growing and Cooking has not received much success. The number of sign ups has always been low, with an average of six participants per session. Sometimes special offers allowed to have a dozen of participants, but some other times sessions had to be cancelled due to the lack of sign ups. As a consequence, the revenues generated by this activity barely covered its costs.

Vitamimos is also offering some activities that are specifically made for parents, to equip them with the information necessary to provide healthy diets and lifestyles for their children. *Sessions for Parents Development*, for instance, consists in educative meetings (each of them focusing on a different topic) where a nutritionist explains to the parents how to best prepare their children's meals. These sessions have a duration of 60 minutes and they are delivered to groups of parents. The price for the whole group for one session is 150,00€.

Finally, *ad hoc* activities are offered throughout the year to schools and to other organisations that might have specific requirements.

One more initiative that deserves our attention is the **Carrot Lollipop**. This idea, considered a social innovation also for its easy replicability and its high impact, consists on a peeled carrot on a wooden stick. The idea was to create a healthy, fresh snack that was attractive for children because of its resemblance to a lollipop candy. This social innovation, however, earned considerable success on different contexts and among different groups of people, gaining the attention of the older ones. Indeed, for a period of time the Carrot Lollipop was sold in vending machines in universities, offices, banks, etc. This specific sales channel (through

vending machines) did not bring any revenue to the company: the quantities produced were too small and the income was just enough to cover the costs of production, packaging and transportation. In this context, it is important to say that all the operations, from the production in the factory to the distribution in the vending machines, were fully managed by third parties in a way that made Vitamimos unconcerned and not involved in the process. For instance, in January 2018 Vitamimos did not know if the carrots were still being sold through vending machines or not. Currently, the Carrot Lollipop is sold at the Vitamimos Café in Carcavelos or at public events like marathons, music festivals, etc.

Behind the Carrot Lollipop there has been an attempt from Vitamimos to make the idea more popular: people were encouraged to post a picture or a video on their social medias while eating the carrot using the hashtag *#worldcarrotlollipop*. The idea never went viral, however it became really popular in some contexts around Lisbon. If you go to Jardim da Quinta da Alagoa, in Carcavelos, you will see a number of children and parents eating carrots on a stick.

### *Secondary activities*

As mentioned earlier, these activities are offered by Vitamimos in order to generate more revenues and therefore sustain its core operations. Ideally, in a better financial situation, the company would stop offering these activities and focus instead only on the primary ones.

The most profitable secondary activity is Catering. In 2016, Vitamimos delivered approximately catering services to 15 groups ranging from 50 to 900 people. For simplicity, this activity is broken down into three categories. *Hot-food catering*, which is offered mainly to companies and organisations, is outsourced to another catering company due to its complex preparation process. This means that Vitamimos develops the menu and the outsourcing company takes care of production and delivery. For this type of service, the final price for the client is decided by the outsourcing company and Vitamimos will receive between 10% and 15% of it. *Finger-food catering* is offered in more diverse contexts, ranging from business meetings to birthday parties. The food offered with this type of catering is cold and, therefore, can be prepared in advance by Vitamimos' nutritionists without external help. The food is prepared either in the same day or the day before the delivery. On average, for a group of 50 people, the preparation takes four hours of work of one nutritionist. The price for this type of service is

calculated in a way that the final cost of all the ingredients does not exceed 30% of the final price. *Lunch-bag catering* is a service that targets mainly children and is offered for instance in school, sports or cultural events. It consists in a paper-bag containing a sandwich, a juice, a fruit, etc. The preparation of this service is done by the nutritionists without the need to outsource and both preparation time and price are similar to the finger-food catering. The profits margins for the finger-food and lunch-bag caterings range between 50% and 60% of the price paid by the client.

Similarly, Vitamimos participates in public events like sport competitions, music festivals and other public gatherings offering healthy snacks or drinks. This activity has the potential of improving the image of the company, however it does not generate revenues and it is often a cost for the company. For instance, among the ten events to which Vitamimos participated in 2016, only half were paid by the organisers.

Vitamimos also offers to children the possibility of celebrating their birthday in their building in Carcavelos. When planning the party the child can decide between three packages: cooking, doing fun physical activities or growing and collecting vegetables in the garden. Birthday parties are organised for groups of minimum 12 children, they cost 17,00€ per child and the duration is of two hours.

The company profits from its assets also by renting the space to the public for parties, conferences and lunches. Prices range between 60,00€/hour and 120,00€/hour depending on the surface rented.

Another activity that contributes to generate revenues is the *Vitamimos Café*. Initially this service was ran by the company itself, however in recent years this has been managed by a third party that pays a monthly rent to Vitamimos. This source of income, even if it is lower than it would have been if the service was managed in-house (currently the rent is 300,00€ per month), it allows the company to have a monthly recurring revenue and to focus on the core activities.

### **2.3.2. Financial Structure**

Since the beginning, the intention of Ana was to be financially sustainable and independent from any other investor or organisation. Therefore, since 2007, Vitamimos has only

received one fund from EDPF. The reason behind this choice is the fact that if a project relies primarily on external funding, it will fully depend on it. In this type of situations (as it happened with EDPF), if for any reason the funding is interrupted (temporarily or permanently), the project has to be suspended. Additionally, one more reason to refuse donors or investors is the freedom of taking decisions for the company without complying with the needs of new stakeholders. As Ana said, “the cheapest money you get comes from your clients, all the rest comes at a cost” (Interview with Ana, April 18<sup>th</sup>, 2018), meaning that even when the company does not have to distribute any dividend or interest, it has to pay by having to meet the donor or founder requests. Naturally, this independence came at a cost: growing at a slower pace. The founder is aware of the consequences of her choices, and she acknowledges that Vitamimos could have grown bigger and faster with external help. However, this was a conscious decision that allowed Vitamimos to “be free to go where we want at the rhythm we want” (Interview with Ana, April 18<sup>th</sup>, 2018).

In order to support the operations, Vitamimos needed a business model that would allow them to be financially sustainable. It is self-evident, when looking at the activities of the company, that Vitamimos decided to go for a service-subsidization business model. Indeed, as it was already mentioned, the secondary activities have the objective of generating revenue to sustain the primary ones. The total revenues generated cover the modest costs of the company (mainly coming from staffing). Table 2.4 shows the revenues for the main activities.

**Table 2.4.** Vitamimos’ revenues divided by main activities (2016).

<u>Revenues Primary Activities</u>		<u>Revenues Secondary Activities</u>	
Eco-Chefs	€ 14.000,00	Catering	€ 26.900,00
Health-Chefs	€ 4.000,00	Birthday Parties	€ 2.500,00
Other Activities	€ 4.000,00	Events	-
		Room Rental	€ 7.000,00
		Vitamimos Café	€ 3.600,00
<hr/>		<hr/>	
Total	€ 22.000,00	Total	€ 40.000,00

### **2.3.3. HR Structure**

Vitamimos' workforce is really variable and it fluctuates depending on the period of the year, on the specific events and on the resources available. Currently, the team is composed by Ana, who's founder and CEO, and Erica, full-time nutritionist.

Ana's role in Vitamimos changes every second year. Under the Portuguese law, being a high-school teacher, she cannot leave her school job for more than one year in a row. This means that for one year she will be employed by Vitamimos (working full time), and the following year she will work as a teacher in school and spend her free time on Vitamimos as a volunteer. Regardless the amount of time that Ana has for the company, she is the one being in contact with existing clients, finding new ones, and negotiate with them. She develops the strategy and the business plan for the upcoming months. Additionally, Ana takes care of the administrative work in the company and she conducts some operational activities with the children. She is involved in the preparation of big catering services and she is the one in contact with all types of suppliers. Finally, and most importantly, she comes up with new creative ideas for Vitamimos.

Erica, the full-time nutritionist, is more focused on the practical activities, without being too much involved in the business of Vitamimos. She conducts the activities with the children; she develops new recipes and activities; she is responsible for the training of new nutritionists (interns included) joining the company; she prepares and physically attends the catering services. Additionally, she takes care of the newsletter (and more in general of the communication) of Vitamimos.

Three other nutritionists, working on a part-time basis, join with flexible schedules depending on the activities and on the company's needs. Additional help comes from six volunteers, one permanent (Ricardo, keeper of the vegetable garden) and five others that contribute sporadically during the year. Another source of labour is given by students of nearby universities carrying out their internship with Vitamimos. Interns usually stay in the company for two or three months and they come in different periods of the year. In 2017, Vitamimos counted on the work of three interns.

#### **2.3.4. Partnerships**

As it happened with investors and donors, Ana has always had a cautious and discrete approach with partners. Her biggest fear is to be stuck with stakeholders that could limit her when taking decisions for the company. Since its foundation, Vitamimos had only one partner: the Municipality of Cascais. This partner is allowing Vitamimos to have its building in Jardim da Quinta da Alagoa in Carcavelos, and at the same time is the biggest client of Vitamimos. This partnership is essential because without it, Vitamimos would have to leave its current place in the public garden. However, the company would be able to exist and perform without a physical structure, considering that the core activities could be all delivered inside the schools. On the other hand, the fact that this partner is also the biggest client, makes it essential for Vitamimos to keep a good relationship.

#### **2.4. Vitamimos' Challenges**

As previously mentioned, one of the priorities for Vitamimos is to scale its impact in order to reach more children. As a matter of facts, the company is considering the idea of expanding internationally in the near future. With this in mind, in May 2018 Ana received a report from an international volunteer consultancy presenting the possible strategies and tools with which Vitamimos could go abroad. However, before focusing on this important move, the founder of Vitamimos thought that it was important to establish its presence in Portugal. For this reason, in the next 18 months the company will focus on scaling its activities within the country. This paper wants to provide some guidelines to Vitamimos in order to help accomplishing its objective of scaling. Therefore, together with Ana, we found the three biggest challenges related to impact scaling that Vitamimos is currently facing.

### *The retailer*

A new potential partner has recently approached Vitamimos with an interesting request. The company, among the biggest players in the food retailing industry, asked Ana to provide a team of nutritionists that could deliver similar activities to schools in Portugal under the name of the retailer. In this way, accepting the deal, Vitamimos would have two main activities: one, unchanged, to keep delivering their activities to schools under Vitamimos' name; the other one, parallel to the first one, is to work as an outsourcing company, offering its skills, knowledge and human capital, but delivering the activities under the name of the retailer.

Ana is currently in a situation where she does not understand what would be the best decision for Vitamimos: to engage with the retailer or to turn down the offer.

### *The national expansion*

The type of programs that Vitamimos is offering allow the company to work anywhere without necessarily open new buildings. Indeed, the nutritionists can go to the schools, bring the kitchen tools needed, and carry out the activities in the classrooms. For this reason, Ana has regularly tried in the past years to approach schools and municipalities in other regions and persuade them to take part in some programs. The outcome, however, was very poor: in 2016 less than 10% of the activities were delivered to schools outside the region (the majority of which were private, with only few public schools).

Ana thinks that what is limiting her is the lack of an adequate network of connections to persuade the Municipalities. She would like to know which strategies could be the best ones to scale in Portugal.

### *Ana's role in the company*

As previously mentioned, Ana is currently employed by the Municipality of Cascais as a teacher. As a consequence, she has a limited amount of time that she can devote to Vitamimos. She has never been an entrepreneur and she did not know anything about managing a company before she decided to start Vitamimos. She has been wondering if she should allocate her time differently and if this might be influencing the performances of the company and therefore its impact. Is she focusing her energy in the wrong tasks? What could she do differently?

### **3. LITERATURE REVIEW**

#### **3.1. Social Entrepreneurship and Social Enterprise: a definition**

Social entrepreneurship is a phenomenon that has gained growing attention in recent years. Nonetheless, specific forms of social enterprises have been out there for a longer time, we simply did not refer to them with this term (Dees, 1998). There have always been people building institutions that were addressing social or environmental needs. However, we started referring to these individuals with the term “social entrepreneurs” only since a few decades. In recent years, the importance of this subject has rapidly grown and the concept of “social entrepreneurship” has gained popularity (Dees, 1998; Santos, 2012). Regardless the popularity gained, many people are still misunderstanding its meaning. Research shows that there are many different definitions of “social entrepreneurship”. Some of the most notorious definitions see social entrepreneurship as “entrepreneurial activity with an embedded social purpose” (Austin et al., 2006) or as “the pursuit of sustainable solutions to neglected problems with positive externalities” (Santos, 2012, p. 335). According to Dees (1998, p. 1), social entrepreneurship “combines the passion of a social mission with an image of business-like discipline, innovation, and determination”. In the same well-known article Dees also states that “social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created” (Dees, 1998, p. 4).



Further research focused on the concept of social enterprises. An interesting definition of this type of firm is the one of a hybrid organisation given by Battilana and Lee. (2014). Hybrid organisations are organisations defined by the combination of elements from different organisational design, and, following this definition, social enterprises are hybrid organisations that primarily pursue a social mission but rely significantly on commercial revenue to sustain its operations. Another practical description of a social enterprise is the one given by the British Government that defines it as a “business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profits for shareholders” (DTI, 2002).

In summary, a social enterprise is an organisation (which could be for-profit or not-for-profit) that identifies a social or environmental problem and tries to find an innovative solution to it. The firm’s priority is to have a social impact. However, the approach used is market-oriented and fits an operational model that is financially sustainable and that allows to pursue the long-term social mission (Weber et al., 2015).

### **3.2. Scaling social impact**

#### **3.2.1. Motivations behind scaling social impact**

Social enterprises can be seen as having a double objective: to create value for the society and to be financially profitable (Battilana and Lee, 2014). As it was already mentioned, social enterprises give higher priority to social objectives than to financial ones (Weber et al., 2015). Indeed, one characteristic of all social entrepreneurs is that they all try to have the biggest impact possible so that the problem they are addressing can be reduced considerably (Weber et al., 2015). Famous social entrepreneurs like Mohammad Yunus (founder of the Grameen Bank’s micro-lending program) or Dr. Devi Prasad Shetti (founder of the Narayana Hrudayalaya Heart Hospital) have been able to reach such an impact because they have always seen the possibility to

accomplish more. Therefore, this is one of the reasons why social enterprises aim at scaling their social enterprises: they want to have as big an impact as possible (Bloom and Chatterji, 2009).

Scaling social impact is relevant not only for social enterprises but also for governments (Bradach, 2010; Kröger and Weber, 2014). Indeed, social enterprises offer solutions to fight or reduce social, cultural and environmental problems that affect societies all over the world (among others: Dees, 1998; Drayton, 2018). Therefore, these organisations forge an alternative tool for governments to deliver services to the community (Defourny and Nyssens 2010; Blundel and Lyon, 2014). In this perspective, encouraging social enterprises to scale their impact represents, for governments, a way to foster higher efficiency - and/or quality - of the services delivered to the public (Cannatelli, 2016; Bradach, 2010).

Additionally, scaling the impact of a social enterprise allows to be more efficient when tackling similar problems in different contexts or geographical areas (Cannatelli, 2016; Dees, Anderson and Wei-Skillern, 2004; Bradach, 2010), in particular by scaling ideas that have been proven to be effective instead of losing resources while “reinventing the wheel” (Cannatelli, 2016, p. 2710).

Finally, achieving success in the field of social entrepreneurship will raise awareness and will attract more stakeholders (investors, donors, entrepreneurs, etc.) that will therefore contribute to generate good for the society (Bloom and Chatterji, 2009).

### **3.2.2. The challenges of scaling social impact**

Because of its relevance, much has been written, over the last decade, about scaling social impact and nearly every aspect related to this phenomenon have been studied (McPhedran Waitzer and Paul, 2011). However, scaling the impact of a social enterprise remains one of the major challenges for these entrepreneurs (Bloom and Chatterji, 2009; Dees, Anderson and Wei-Skillern, 2004). Scaling is very difficult and there are many different ways in which you can scale your social enterprise. According to Dees, Anderson and Wei-Skillern (2004), before starting to scale, entrepreneurs should ask themselves some questions in order to define their innovation and

understand how best to scale them. Indeed, in some situation it might be better (and sometimes necessary) not to scale: some social innovations are not meant (or they cannot) be replicated in another context or country, hence they will remain local (Chowdhury and Santos, 2012; Westley et al., 2014). Yet, those entrepreneurs that are willing to scale the impact of their social enterprise and that have the means to do so, they have to accept that without significant changes their ideas and innovations will not have the desired effect (Westley et al., 2014).

As it was underlined in the previous discussion, scaling up is a priority and at the same time a big challenge for many social entrepreneurs. The growth process of a social enterprise can be more complex and difficult than the one of a traditional, profit-oriented firm (Hare, Jones and Blackledge, 2007). Many social entrepreneurs have been using traditional tools from the business world to scale non-traditional organisations (McPhedran Waitzer and Paul, 2011). Indeed, most strategies used by social enterprises to scale their impact involve their increase in size, which offers temporary initial comfort. However, there are very few cases of organisations that succeeded in scaling up in this way (McPhedran Waitzer and Paul, 2011).

### **3.3. Strategies to scale**

In the next pages, different strategies and studies on how to scale a social enterprise will be described. Some of these methods aim at scaling by making changes within the organisation, some others imply developments that go beyond the confines of the organisation (Lyon and Fernandez, 2012). Before proceeding, however, a concise overview on scaling is presented.

When doing research on this topic it is easy to see how authors underline and mention the differences between *scaling wide* (or *scaling out*) and *scaling deep*. Interestingly, however, in an article by Riddel and Moore (2015), the authors identified three different types of scaling, adding *scaling up* to the already mentioned categories.

According to their definition, *scaling up* refers to impacting law and policies by “changing the rules of the game” (Riddel and Moore, 2015, p. 3). Therefore, a social enterprise should partner, advocate and generate awareness in a way that stimulate changes and

improvements in the institutional sector - that would consequently generate policies and actions in favour of the social/environmental cause.

Following, *scaling out* is “impacting greater numbers” (Riddel and Moore, 2015). This means reaching more people in more geographical areas, increasing in this way the number of beneficiaries that are affected by the social enterprise. This type of scaling is often referred to as *scaling wide* (Lyon and Fernandez, 2012).

Finally, *scaling deep* is defined as transforming “people’s hearts and minds”, changing their values, the way they act and the way they think (Riddel and Moore, 2015). This means that the number of people impacted stays stable, but the level of that impact is higher.

In the following paragraphs, different strategies to scale are presented. However, one scaling strategy alone will not decide for the success of a social enterprise considering that there are many factors and interdependencies (in the organisation’s internal and external environment) that will influence the outcomes (Weber et al. 2012; Bloom and Chatterji, 2009). As a matter of facts, over 75% of the Globalizer Fellows use a blend of different strategies to scale (McPhedran Waitzer and Paul, 2011).

### **3.3.1. The SCALERS model: a tool for social entrepreneurs**

In a study conducted by Bloom and Chatterji (2009), the authors identified seven drivers (or organisational capabilities) that can contribute to successfully scale the social impact of an organisation. According to the authors, these seven drivers can be seen as a tool, similar to the 4 P’s for marketing, used by social entrepreneurs to guide them when scaling. The model is named SCALERS, which is the acronym of the seven capabilities identified by the authors: Staffing, Communicating, Alliance building, Lobbying, Earnings generation, Replicating, Stimulating market forces. The extent to which each of the seven capabilities will impact a company aiming to scale, will depend on certain situational contingencies. In other words, depending on the characteristics of an enterprise’s internal and external environment, the influence of a specific capability will vary. Additionally, in some situations taking action upon

one (or few) organisational capabilities will be enough to drive a successful scale. In some other situations, taking action upon all capabilities will be necessary (and sometimes not sufficient). Interaction between capabilities are frequent and, as a consequence, an intervention or an event in a specific capability will likely have an impact on other capabilities.

Bloom and Chatterji (2009) suggest that the capacity of a company to scale up - or that the level to which an organisation has been able to scale wide (helping more people) and deep (generating better outcomes) - is affected by how effectively the company has developed some combinations of the seven capabilities.

For the purpose of this thesis, each of the seven drivers is defined.

*Staffing* is defined as “the effectiveness of the organisation at filling its labor needs with people who have the requisite skills” (Bloom and Chatterji, 2009, p. 117). Human resources are necessary for a company to grow and it has been recognized that HR policies influence its performance (Huselid, Jackson and Schuler, 1997). According to Bloom and Chatterji (2009), in order to succeed in staffing, the company will have to competently compensate the employees, offer training, recruit, etc. and therefore pay close attention to personnel decisions.

*Communicating* is the ability of the company to persuade people that its activities are successful, to convince them that it is worth to adopt or support its programs. Achieving a good outcome at communicating means not only attracting more beneficiaries, but also employees, volunteers, donors and funds providers, etc. (Bloom and Chatterji, 2009).

*Alliance building*, the capacity of a company to build partnerships, coalitions and other relations that can help the company in pursuing its mission, is a fundamental factor when trying to scale (Sagawa and Segal, 2000). Building collaborative relationships, operating in synergy and mobilizing different players to work for the same cause, instead of trying to do everything *solo*, is often crucial for success (Bloom and Chatterji, 2009; Pearce and Doh, 2005).

*Lobbying*, according to Bloom and Chatterji (2009, p. 120), is “the effectiveness with which the organisation is able to advocate for government actions that may work in its favor”, persuading legislators or other players to contribute achieving the social objective.

*Earnings generation* is the ability of a company to generate revenues that exceed its costs (Bloom and Chatterji, 2009). As it was previously mentioned, every SCALERS can be related and have effects on other drivers. However, the authors underline the fact that earnings

generation can be helped by partnering with other organisations that share the same goal and, additionally, it can help bringing more alliances (Bloom and Chatterji, 2009).

*Replicating* is the efficiency with which a company can duplicate and transfer its services, programs or activities without a loss in quality (Bloom and Chatterji, 2009). Independently from the way in which the company decides to replicate its activities, an important requirement is that the core organisation should be able to control the replication without limiting the replicator. The replicator, however, should not go its own way if this could have negative consequences (Bloom and Chatterji, 2009).

*Stimulating market forces* is defined as “the effectiveness with which the organisation can create incentives that encourage people or institutions to pursue private interests while also serving the public good” (Bloom and Chatterji, 2009, p. 123).

### **3.3.2. Growth within the company, affiliation and dissemination**

Another interesting study that explores ways and strategies to scale social impact is the one conducted by Dees, Anderson and Wei-Skillern (2004). As it was already mentioned, the authors suggest the entrepreneurs to think about how to define their innovation. The reason behind this is that the way in which the innovation is defined will have an impact on its transferability. Social innovation can be defined in very broad or very specific terms, with different levels of precision in describing the product/service, the implementation, the requirements, etc. The challenge in this situation is to find the right level of precision that leads to the most powerful transferability. In addition to this, the authors suggest social entrepreneurs to use the Five R's - Readiness, Receptivity, Resources, Risk, and Returns - as a guide to implement their strategy.

For the purpose of this managerial case study, however, it is important to underline the attention that the article directs on three mechanisms for spreading the impact. The mechanisms are the following: *dissemination* (least resource intensive and with a low control over the implementation, it consists in spreading information and assistance to other organisations); *affiliation* (agreement defining a formal relationship - of different intensity - between two or

more entities); *branching* (requiring a big investment but offering central coordination, it consists in creating different sites as being part of the same organisation) (Dees, Anderson and Wei-Skillern, 2004).

In this context, it is relevant to mention the study conducted by Lyon and Fernandez (2012), examining different strategies for scaling social impact in the childcare sector. Through four case studies, the authors examined twelve strategies to scale up the impact. The range of these strategies is very broad, going from internal growth controlled by the organisation to external growth through provision and sharing good practises and information. These twelve alternatives allow different levels of control over the implementation of the innovation with consequently different level of scale. Of the twelve alternatives underlined in the articles, six were focusing on scaling through growth within the organisation (*Maximizing social impact of existing provision, Diversification of services, Growth of number of users or places, Starting new sites, Taking over other providers/sites, Winning contracts from local authorities or employers*), three through formalised relationships with other providers (*Establishing spin out organisations, Social franchise relationships with other providers, Kite marks for organisations that meet standards*) and three through open access sharing and dissemination of good practices (*Training and accredited courses, Networks established to share good practice, Provision of open source material and encouraging learning*) (Lyon and Fernandez, 2012). In this context, Lyon and Fernandez give three examples of *dissemination* mechanisms described by Dees, Anderson and Wei-Skillern (2004), three examples of *affiliation* mechanisms and finally six strategies for growth within the organisation that include the *branching* mechanism of Dees, Anderson and Wei-Skillern.

The twelve strategies are described in Table 3.1.

**Table 3.1.** The twelve strategies to scale impact from Lyon and Fernandez (2012).

Type of growth	Strategy	Description
<i>Within the organisation</i>	Maximising social impact of existing provision	Making sure that the existing activities maximise the benefits to the community (i.e. are families with lower purchasing power receiving benefits/activities?)
	Diversification of services	Adding other services or types of activities
	Growth of numbers of users or places	Increasing the number of people receiving the services in an organic way, leveraging existing assets, staffing and skills
	Starting new sites	Opening new centres both in areas where there are unmet needs or in areas to compete with other providers
	Taking over other providers/sites	Taking over companies with similar goals that are not sustainable or that are going out of business due to financial difficulties
	Winning contracts from local authorities or employers	Leverage current operations and outcomes to differentiate from other bidders
<i>Affiliation</i>	Establishing spin out organisations	Creating an independent company that is strongly related to the core organisation (i.e. guaranteeing presence of some individuals in both boards)
	Social franchise relationship with other providers	Developing a social franchise where, for instance, the franchisee will pay an annual fee
	Kite marks for organisations that meet standards	Creating kite marks or quality standards that demonstrate that an organisation reaches a specific quality level
<i>Dissemination</i>	Training and accredited courses	Offering trainings, courses and meetings to help other companies to improve the quality/impact of their services
	Networks established to share good practice	Building both formal and informal relationships with other organisations or individuals in order to share good practice (i.e. organise meetings where these networks can discuss)
	Provision of open source material and encouraging learning	Providing general material to other organisations in order to share knowledge and tips



### 3.3.3. The imperatives for social entrepreneurs

One more study that can help us in our research is the one conducted by McPhedran Waitzer and Paul (2011). The authors present two methods to scale impact. Both of these methods act beyond the organisation's boundaries. The first mechanism is the *Open-Source Changemaking*, which attracts people with a common interest (that is known and visible by everyone). People that are involved in this system have a personal desire to contribute (Andersen, 2010), hence they will perform better. The second mechanism is the *Smart Networks*, which encourages to collaborate with the other players in the network following the principle that the network as a whole can achieve more than the single players alone.

In the same article (McPhedran Waitzer and Paul, 2010), the authors mention two imperatives that social entrepreneurs who are willing to scale should always consider. The first one is to *liberate the core*. Entrepreneurs should return to their core idea: often happens that interesting opportunities (i.e. connections or funding available) drive them away from the essence of their social enterprise, in this way evolving without a clear focus on the original mission (McPhedran Waitzer and Paul, 2010). The second imperative is to *become a magnet*: social entrepreneurs should change their business model from one where they are at the centre to a model where there is a network of players around the same mission. This allows to attract more partners and changemakers that can contribute with new ideas, advice and resources (McPhedran Waitzer and Paul, 2010).

From the first imperative (to *liberate the core*) two new recommendations arise. The first one is that the role of the founder must change after some years from the creation of the company. The social entrepreneur should therefore stop conducting some of his/her current activities and let the team take care of the operations. In this way, the founder will be able to focus more time and energy on spreading the vision (and the team will become more efficient). The second one is that founders should take enough time to test and improve the scheme before "jumping into another pond" (McPhedran Waitzer and Paul, 2010, p. 148). Both operation and revenue models must be refined and imperfections must be improved without rushing with the objective of growing. By doing so, when the expansion will come, it will surely pay off (McPhedran Waitzer and Paul, 2010).

In this context, it is important to mention the article from Bradach (2010), which identifies strategies that allow an organisation to scale its impact without requiring to grow its size, and therefore not requiring large investments. Many organisations, for instance, have been successful at scaling their impact through the Web, without building new sites or hiring new employees. This method is referred to as *converting bricks to clicks*, and consists in reaching the users through the Web (i.e. creating platforms where they can gather together) and sharing with them guidelines and toolkits that they can use (Bradach, 2010). Another method mentioned in the article is to *build networks* of small organisations working locally that will eventually spread in a region or a country. Other strategies include training and developing *talents* that will be able to spread the mission, or simply using *intermediaries*, that can add value by providing additional services that the core organisation is not interested or not capable to provide. Moreover, some organisations have been able to scale using *social marketing tools* in order to influence the perception that people have about a specific problem that is affecting the society and to show them that change is possible. These social marketing tools can also contribute to raise awareness and can be powerful instruments to change people's attitudes and behaviours (Bradach, 2010).

## **4. TEACHING NOTES**

### **4.1. Case Abstract**

Vitamimos is a Portuguese non-profit organisation, founded by Ana Ai Quintas, that aims at preventing childhood obesity. Since 2007, Vitamimos has been actively empowering children from four to twelve years old to develop healthier eating habits and lifestyles in harmony with the environment. In practice, this happens by offering activities characterized by fun, hands-on approaches, where children embrace the importance of healthy nutrition and lifestyles while cooking.

Over the past years Vitamimos has been growing at a constant rate and it has always been financially sustainable. However, regardless the positive results and the success achieved in its region, the founder has decided to scale the impact of the company in order to reach more children in Portugal.

### **4.2. Notes to the instructor**

This case was developed to be used in courses dealing with subjects of Impact Scaling, Social Entrepreneurship, Social Innovations, Management Consulting. It can be used as a practical exercise where the students play the role of social consultants hired by Vitamimos (or, alternatively, impersonating the CEO of Vitamimos), with the objective of helping the company with three specific challenges linked with impact scaling.

I suggest to send the case study to the students in advance so that they can read it before the class, in this way allowing to have a more interactive discussion. The professor could divide the lecture in two parts. In the first part the theory will be introduced following the structure of a traditional lecture. In the second part there will be the case discussion. The instructor should lead the discussion asking questions to the students: at the beginning the focus should be on the company's mission, activity, history, etc. with the purpose of allowing everyone to call to mind

the elements of the case study. Next, the attention should be directed to the three challenges. I recommend to consider between 15 and 20 minutes for the debate of each challenge.

### 4.3. Assignment Questions

The challenges shown in this case study have been selected so that students can combine the knowledge acquired throughout their studies, the specific theory introduced in the literature review and the data presented in the company's description. As you will see below, particularly relevant for the execution of the assignments is the information that the students have to derive from that data (i.e. the company's needs, its propensity to risk, the desired level of control over the activities, etc.).

**RQ1:** *Should Vitamimos accept the offer advanced by the food retailing company that recently approached them?*

To solve this first challenge I believe that the students should use the SCALERS model presented in paragraph 3.3.1. In this regard the professor could mention the model in the first half of the class. Going through each of the seven drivers will allow the students to conduct a thorough analysis of the partnership, examining its effects on Vitamimos. Consequently, they will be able to make their own decision and decide which position the company should take.

The students should be able to see this partnership as a source of *Alliance Building*. The literature clearly states that operating in a collaborative way through partnerships or other coalitions contributes to scale the impact. However, the student should go further with the exercise, analysing the effects that this has on the other scalars. For instance, this alliance will surely support *Earnings Generation*. This could happen in many ways: Vitamimos could be paid by the retailer a fixed amount each month (leaving to the retailer possible profits) generating in this way a recurring revenue; or Vitamimos could count on financial resources available to invest on new activities that could be of interest to both companies; etc. Of course, with higher and more stable incomes there will be a positive effect on *Staffing*: not only it will be possible to

grow the size of the team, hiring full time nutritionist, but it will also be possible to attract more talented employees thanks to more competitive salaries, benefits and trainings (without mentioning that the alliance with the retailer might improve the reputation of Vitamimos, attracting in this way stakeholders that would normally be scared by its size and financial capabilities). On a last note, some students could point out that the power and the image of this retailer could open the door to new *Alliance Building* (gaining the attention from other players) and *Lobbying* (thanks to the strong network of the retailer in the country).

However, some students might correctly point out that, concerning the driver *Communicating*, the benefits are not that strong. Indeed, the retailer wants for Vitamimos to deliver the activities under the retailer's name, in this way not exposing the brand to the public. Additionally, literature shows that with the driver *Replicating* there is a delicate relationship between the core company (that should exercise control in a non-dictatorial way) and the other company (that should be able to stay loyal avoiding to take decisions that could hurt the core organisation). However, what would happen if the retailer decided to exit the alliance? What if it decided to offer the activities without involving Vitamimos, after having gained the know-how?

Considering that this assignment has only two possible outcomes (taking part of the relationship or, alternatively, turning down the offer), the professor could split the students in two groups, encouraging them to sit on either side of the class depending on their take on the problem. This will facilitate the discussion allowing the students to bring up objections and effects that were not considered.

**RQ2:** *What strategy should Vitamimos use to scale nationally?*

Like in the previous assignment, the students have to combine information from the case study with the theory in the literature review. The professor can direct the students to use the strategies from Lyon and Fernandez (2012), described in Table 3.1, that can provide them with an overview on the possibilities that Vitamimos has to scale. For this exercise, the professor can invite the students to use Table 4.1 to support them during the analysis.

**Table 4.1.** Illustration of the twelve strategies for the students' exercise.

Scaling Strategy	Revenues Generated	Investment Required	Level of Control	Overall Fit
Maximising social impact of existing provision				
Diversification of services				
Growth of numbers of users or places				
Starting new sites				
Taking over other providers/sites				
Winning contracts from local authorities				
Establishing spin out organisations				
Social franchise relationship w other providers				
Kite marks for organisations meeting standards				
Training and accredited courses				
Networks established to share good practice				
Provision of open source material				

In the case study the students should be able to deduct some information that will be relevant for the case discussion. For example, one of the first things coming to mind is that the company wants to have a high level of control over the operations: in the text is often stated that Ana does not want to be limited by partners, investors, donors or other stakeholders. Additionally, the company is financially sustaining itself but there is the need to increase revenues in order to better compensate the staff members and to hire more full-time employees. These two pieces of information are sufficient to exclude some of the strategies. The *diffusion* strategies, for example, can be easily implemented by Vitamimos and would have a great impact (think, for instance, about offering trainings or sharing useful material, that would help other organisations reaching higher quality and therefore having higher impact). However, these strategies would not allow the company to generate revenues and, additionally, the level of control over the impact generated would be really low. The only possible strategy among these seems to be to establish networks to share good practice, which would be easy to implement and would not require any type of investment.

The *affiliation* strategies do not fit perfectly Vitamimos because the level of control over the implementation is low and they would require new skills that the current team might not have. However, the social franchise could be an exception. Under specific contracts, this strategy

could provide Vitamimos the right level of control, it would generate enough revenues and would not require big investments.

Following, there are the strategies to *grow within the company*. Maximising social impact of existing provision is not suitable because it would drive the company to scale deep, whereas in the case it is shown how Vitamimos needs to scale wide rather than deep. Diversification of services would not be recommended considering that there are already too many activities offered and adding new ones would only complicate the operations. Starting new sites would be an ideal solution in order to be close to the schools. Additionally, it would allow to hire local workforce that would help creating a solid network in the new region. However, this option requires a considerable financial investment. Taking over other providers could be an interesting alternative: it would come together with workforce, a network, existing clients etc. and it would require a lower initial investment than starting a new site. Nevertheless, the chances to find a company in Portugal with a similar goal and available to be acquired are low. The other two options are winning contracts from local authorities (not applicable) and growing the number of users. This strategy, however, has already been implemented by Ana without much success.

In conclusion, the two possible scaling strategies for Vitamimos are to establish networks to share good practice and to establish social franchise relationships.

At this point the professor could remind the students that the company is under time pressure because it is considering the international expansion. This means that both strategies (networks and social franchises) do not fit the company's needs anymore. This added requirement would open a new discussion:

1. Should Vitamimos reconsider some of its needs and be more flexible with them?
2. In sight of this finding, should the discussion on the alliance with the retailer be reopened? Could it be the only possible way for Vitamimos to simultaneously have a bigger impact, to increase in size and to generate more revenues in the short term?

**RQ3:** *How should the founder change her role in order to help the company scale its impact?*

For this final question, the instructor has the opportunity to guide the class through a broader analysis, summing up the most critical challenges that the company is facing and relating the discussion to the outcomes of the previous research questions.

The students must be able to see that in the literature the majority of the authors talk about the importance of establishing networks, sharing good practices and achieving results by unifying efforts instead of doing things by themselves. For instance, McPhedran Waitzer and Paul (2010) talked about Open-Source Changemaking and Smart Networks; Lyon and Fernandez (2012) mentioned the option of establishing networks in order to share information and help each other; Bloom and Chatterji (2009) and Pearce and Doh (2005) have mentioned that operating in a collaborative way with other players works better than doing everything alone and is crucial for success. This suggests that Vitamimos should loosen up its need of having a full control over the implementation of the programs. Being so strict with this high level of control seems to stop the company from a number of opportunities that could improve its efficiency and would certainly contribute to scale. Additionally, the literature shows that some years after the foundation of the company the social entrepreneur has to start moving away from operational activities (McPhedran Waitzer and Paul, 2010). Ana should therefore spend less time conducting operational or administrative tasks and, instead, focus her energy and effort to share the values of the company. Moreover, in the case study the students can see that the company is missing strong connections outside the region and that this plays a major role when Vitamimos approaches new Municipalities. Vitamimos should invest more time advocating its programs and creating a solid network of connections that, as previously explained, could help the company scale.

Moreover, Ana should leverage social marketing tools. The literature showed that these can help the company reaching the community, sharing its values and influencing people's perception and awareness of the problem of childhood obesity. If Vitamimos was successful at implementing this strategy, there would also be a strong positive effect in attracting the attention of Municipalities and other powerful stakeholders, in this way contributing to enlarge the company's network. In this context the professor could shift the discussion toward a new problem: should the company invest more resources in the social innovation Carrot Lollipop? Could this be considered a tool that the company can use to reach and persuade the community?



Finally, Vitamimos could leverage the Web adopting the strategy bricks-to-clicks: this can offer an alternative solution that contributes to the prevention of childhood obesity and that does not require much effort or investment.

## 5. CONCLUSIONS

The purpose of this thesis was to advise Vitamimos and to provide helpful guidelines to scale its impact. After an accurate analysis of the company's activities and a broad search on the most common practises used to scale by social entrepreneurs and non-profits, some practical feedback can finally be provided to Vitamimos.

First of all, Vitamimos has too many conflicting needs. Wanting to do everything in-house, not having large financial resources and being reluctant to receive investments or donations leaves the company in a situation where it needs to scale but does not have the resources to do so. Therefore, the company should be more flexible with these requirements.

For the same reason, Vitamimos should accept the offer from the retailer. First of all, this will have a great impact on the society, allowing to scale, reaching a larger group of beneficiaries. Secondly, generating more revenues will allow Vitamimos to grow, hire additional workforce and therefore become more efficient. It would be ideal for the company to negotiate the conditions with the retailer with two main objectives in mind: first, the possibility to show Vitamimos' logo when delivering the activities in order to improve the image of the company; second, forbidding the retailer to take actions that could penalize or have negative consequences on Vitamimos (i.e. the retailer copies the idea and enters the market alone).

Together with this, and with a long period perspective, the company should focus more on building relationships and sharing knowledge. For instance, Vitamimos could organise quarterly meetings with small size organisations working in similar contexts (i.e. companies involved in education activities with children, in health care, etc.) in order to talk about challenges that some of them might be facing and unifying forces and sharing knowledge to improve. Additionally, as mentioned in RQ3, Ana should invest more time creating a strong network in order to improve the possibilities that Vitamimos has to reach powerful players in the country, persuade Municipalities and eventually call for government actions. This, in the long term, will allow the company to scale in the national territory.

Ultimately, I believe that the company should leverage the Web as a powerful (and cheaper) solution to scale. For instance, the company could leverage YouTube by publishing fun

and entertaining videos (for instance on a weekly basis) of activities performed by children that can be easily replicated at home. On a similar note, Vitamimos should invest more resources on The Carrot Lollipop and therefore adopt social marketing tools that will help scaling this social innovation.

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## APPENDICES

### Interview with Ana Ai Quintas, January 31<sup>st</sup> 2018

The interview was literally transcribed and represents to the letter what the interviewee said.

*Due to the page restriction, it was not possible to present here all the four interviews. However, the recordings of the other three interviews can be provided upon request.*

**E:** Could you please tell me how everything started?

**A:** I'm a high school teacher and at school I learnt a lot of methodologies to promote health program and activities and I just read the European chart for counteracting obesity from the Istanbul meeting in 2006. At that time no one spoke about health, promoting food, nutrition, we didn't have any program for healthy food in Portugal and the country became aware of the childhood obesity problem raising in Europe.

I just read it on the internet, I don't remember how it happened. The meeting had just happened a few months before and I said I have to do something about it because I know the methodology and I know how I can make it, I know how I can reach children and how to talk to them and to communicate. I knew how to be effective in this thing. And I knew that all the curriculums are theoretical and it's really important to make the practical approach with hands on approach programs because the scientific studies say that if we involve children preparing their own food this allows them to eat more vegetables and so on.

**E:** When was this precisely?

**A:** It was the beginning of 2007. In 2007 I just had the idea I have to do something and at the same time there was an agency to promote entrepreneurship and there was a business idea contest in Cascais. So I decided that this was an opportunity to prepare an idea and show the idea to see if it's interesting. So I worked on this project building the idea and it was exactly what is happening now, the project is like it was 10 years ago. So I won the contest at the category of health and the municipality of Cascais came to me saying "listen, we want that at the public gardens". But I was only a school teacher, I never managed anything..only my home.

The vice president met me the following week to discuss about the protocol to make this thing in a public garden. But money was going to be a problem. At that time I knew nothing about social entrepreneurship, I knew nothing about non profit organisations, I knew nothing about nothing so... I just said "I want to do it, I will find a way, but I want to do it". So I sold the house where I lived, I made a family meeting. They were all okay with that and my children were all excited, at the time they were 13 more or less, and my husband as well say alright, let's do it, let's sell the house. It was only my house, it was my second husband and the house belonged to me since before so for him it was not a problem. So we just moved to a smaller house and with the money I received I built this, where we are now. It took four years of bureaucracy, in 2011 this was a reality and the doors were open for the public. And it took only four years because they liked the project, otherwise it would have been longer.. Portugal in its best!

**E:** But let me understand better. With your own money, selling your own house, you built a structure in a public space. And I guess you're here with a temporary permission, right?

**A:** Completely crazy. Yes I'm here with a permission. So when I signed it was for ten years and then you could renew the permission (because they just lend me this space so that I could put it here) and it was ten years from the date of the signing moment, 2007, and then no one would



guess that it would take four years from the signing moment. So, since last 15th of January the contract is already off. I have been six months now asking the entrepreneurship agency to make the contact with the municipality and nothin nothing. No it's the election for the new president - no good - now it's the... - no good - etc. So now I have no permission but I'm here they don't want me out, because they like what i'm doing, but i'm illegal, they don't care the risk is mine so no problem. But now I got the experience, at the beginning I was worrying with the papers now I no longer worry with the papers, I just risk risk risk, it's the life of the social entrepreneur. But in addition to this, I know that many other municipalities would want me there and they would provide me with the tools to work. I'm not worried, the program has developed to a stage where I really don't need a space. Of course it's very good to have it because we have this kitchen and we can host the kids and their families with us: everyone loves to be here. Today unfortunately you came too late but during the day and at the weekend (in particular in sunny days) there are a lot of people, it's really pleasant to be here. People love to be around here, kids come and go, they play, they love to be here. I'm sure that they want me to continue but if they are not correct with me I will go. I built the structure with the concern of making it possible to move to another place. I know that it was

This is how this adventure started and since I paid for this place, I just created that traditional company. Once we opened the doors I founded the non profit organisations with a couple of other teachers and some friends, physical activity teachers that worked with me since the beginning of the project and we are still the same people, some more active, some not so active. But those who really work here all day, the people that we hired (the association hired nutritionists and some interns).

**E:** So, could you please tell me more about the organisation of the company? So for example, there are...

**A:** the Ministry of Education doesn't allow to be for two year in a row out of the school, not teaching. So, since I have my career as a teacher, I can't work permanently for Vitamimos. So I'm one year in and one year off, one in and one off. So I get hired by Vitamimos and then I get fired, over and over again. At this time there is only one collaborator that is working full time with a full salary and then three others that are working part time. They are all paid, there are no volunteers. And all these four employees are all nutritionists, I only hire nutritionists. Then there is the team of the cafeteria, that is not hired by Vitamimos directly, but there are three people, daily.

**E:** So about the cafeteria, let me understand: the person that rents the cafeteria every month with the "contrato de agenciamento" manage all these people in the cafeteria team.

**A:** Yes, they are pretty independent meaning that they can choose the people how to structure the works and so on. They are really involved with the project, they really like it, they inform people. You know, they are very good partners for us. Now it's about three people because it's winter time but in summer they are four or more.

Going back to us, we are also very flexible. These four, the nutritionists (two Mariana, one Erica and one Carolina) are those that come here more often, but we have more collaborators, we have lots of others. I trained ten to be prepared to disseminate the program and also the nutritionists in Portugal they don't get one full time job. It's very difficult. So they do come counselling appointments, then they go to a gym, then they work with a chemistry. It's very difficult for them to have a full time job so they are available when we need. And since we don't have every month the same amount of work with the schools, sometimes we have a high demand of nutritionists and some other times not that much. So we wouldn't be able to pay regular salaries. Because my main concern at the beginning was to be financially sustainable without depending on other

money: sponsors, donations. I wanted the market to be the validator of our interest of being in the society. And afterwards, of course if we receive sponsors, prizes, awards... if we get them, perfect! Then we have conditions with no worries and we can do even more. But if these subsidies are not there, then we still exist, we still grow, little by little and we are still there. And that's why I dedicated so long all these years to build the business, and it's a service. When you talk about a service it's hard work full time with the client, with an open public space, it's very very hard.

**E:** So are you able right now to be financially sustainable?

**A:** I would say that we survive but we are not financially sustainable otherwise I would say bye bye to the Ministry of Education easily. I know that the project doesn't risk anything, it will go on. But it's not an easy thing to do. It's not at point where everyone gets paid for its real value. No. That's the only problem because we don't have worries like "oh maybe we don't have the budget for next month". No. But the budget is small. But it's only 6 years now almost 7 so it's normal in a hard market and when we offer half or more than a half then what we get. So if I didn't offer anything we would be much better. (here she means that Vitamimos is providing free services and, if they didn't, they would be much better off right now).

**E:** But right now, the money that come in, comes from the business and from the Municipality that is helping you I guess. Am I right?

**A:** One project. The Municipality sponsors, they pay only for one project. Like a subsidy to have that service in the schools, not for the structures or for the salaries, no no. The Municipality is like a client for us, similar to a client. If I get paid from the Municipality, they pay for the children of public schools and for these children it's for free because the Municipality already paid. If I sell the program to private schools, the children pay the service. So for me it's the same to go to a private school and have the children paying the program or to go to the public schools and have the Municipality paying. Because it's the same, almost the same price.

**E:** Earlier on you were talking about the three main activities, the three main projects.

**A:** Yes, these are Eco-chefs, Health-Chefs and World Carrot Lollipop. Eco-chefs is sponsored by the Municipality of Cascais: it's in every school group of Cascais. It has been for 5 years now. It's always a success. Health-chefs is another program, we got sponsored for launching the program by EDP foundation. It is a very good project, it was one of the finalist projects of the social innovation tournament by the European Investment Bank. It's the most important tournament, or contest on Social Innovation in Europe, and we have been one of the finalists in 2016, in Slovenia. And we are selling this project to the private schools, mainly. It's the source of money for the association. This project pays the salaries of Erica and all the others. So, Eco-Chefs and Health-Chefs are the two main channels for income. And the third one, the World Carrot Lollipop, is almost symbolic. We made it partnering with Nova SBE. We got to put the carrot lollipop in vending machines in Lisbon: in banks, universities, offices.. We got a factory that made the carrots for us with the name Vitamimos on the package and then the students from Nova made the link with the vending machines corporation, they got someone interested and then it was running. The cost of production was high, plus the factory was dealing with the vending machine company directly. The problem is that the factory is invoicing directly to the vending machine company, so we are not in the middle. And it's a bit like...I am not really aware of what is going on, if the man of the vending machine is tired of putting fresh carrots in the machines.. You know? I have so many things to do that I am not controlling to see if it's really a good idea. And people really enjoy being at work and eating a carrot: because it's fresh, it's different, it feels good so people like it. [REC 22:30] Once I was in a party, I met a girl there, I didn't know her.

And she was asking what I did and then I told her about it and she was like “oh in my office we have go all your carrots”.

The process is far from us so we don't get the regular feedback. I built the process in this way because I didn't want to have bureaucracy to deal with. I haven't checked it in the last two months, so they could have also stopped. But I am afraid that, since it's not a very easy process...and I'm saying this because the vending machine guy doesn't like fresh products because they prefer long lasting products, the factory was not very interested because of the work of peeling the carrots, they have so many big clients that selling few carrots is not very interesting for them, and then the transportation is not the perfect transportation, the time and the days for the vending machines.. You know, I am not sure if this still runs but that's a pity because people really enjoy it. But even if the carrots are not in the vending machines, we still have the project because we still have public events, big events, we are there with the carrots and everyday you can see the carrots being sold here in the cafeteria of Vitamimos and everyday you see children and adults eating carrots.

And then there is “plantar e cozinhar” (planting and cooking), which is an extension of Eco-Chefs program, because it's like teaching families how to grow vegetables and to cook healthy recipes with that. And it happens every Sunday in the morning from 10.30 to 11.30. Children cook, but parents are there with us and parents and children go to the green garden. It's mainly for kids to be there but parents stick with them and are there all the way.

**E:** One problem that I think there is in this model is that families of these children need to pay for Vitamimos' activities. Additionally, people that have the possibility to pay tend to have a higher level of education. So if the parents have the money to pay the activities organised by Vitamimos for their children, it's likely that they are well educated families. Whereas there are a lot of children coming from families in a different social context, that don't come here because they don't know about Vitamimos because the parents are not interested and informed about these important activities. So I was wondering if you had ever thought about contacting these people and how.

So, how do you involve families that have less financial resources or that are not aware of the importance of health?

**A:** Well, we have a lot of pro-bono programs (which are apart from these three main projects). Every year we offer to 300 children our program pro-bono: and every time we are cooking, children just pass on the green garden, we go outside, to collect .. and if they come here there's always a walk in the green garden to motivate and so on. And every year I offer 300 free programs for free. And how do we do it? It's children from public schools of Cascais, so you get children of every economical situation but I don't choose them. I just say to the Municipality: you have 300 for free, and they choose the children. So it's available through public schools, and there are a lot of children over there with less income.

In addition to that, we were always asked from organisations that cannot pay for the service and so on, but that's a problem because I now start to learn how to say no. Because some of them have much more money than I do. For them it's much easier to get sponsors, to get help and so on. So, from time to time, what we do is that we have open activities for free. For example, around Christmas we have this activities with recipes for an healthy christmas to cook. And what we learn is that we realise that in Portugal, at this point, even the families that are not with a very low income, the middle class, have a lot of difficulty to pay extra activities for the children. Because the salaries in Portugal are so low that people really like, people really enjoy, they say “I love it” but they have to pay for the swimming pool, and they have to pay for the English class,

so they are not going to pay for the cooking class or for the green garden. We did the first step of getting some market and being able to survive and grow..and little by little we are growing, with a lot of work but we are growing. What we need is now to get all the money of social economy that's around there to sponsor our programs to reach those families with lower income. That's one of our challenges that you could help us with. How to get more children from families with a lower income. Because eco chefs and those programs that we are offering are in Public Schools, but for instance chef de saude from EDP foundation we didn't show them in public schools. We're selling it to private schools only. Because we are hoping that it would be easier to sell And if we had lots of clients we could do Cross-subsidy strategy, but it's very hard now to enter in the private schools. Cross-subsidy strategy is like those who have money pay and with the money we subsidized the poorer ones. But working with schools is very difficult. Because we didn't know the benchmarking, and then we realized why it was so difficult, there are different aspects. But one is "who is our client"? We don't have one client. We have three clients: one that has shining eyes and wants more, which are the children, but they don't decide. Then there is the school (or the teachers that organise), but who pay are the parents. And there is a problem of the director that wants to please the parents but half of the parents want extra activities and half of the parents don't want to pay anything more. So each time they choose an extra activity for the parents to pay, they are afraid: schools are afraid, directors are afraid, so it's a bit difficult. This is a problem of the private schools. I would never go to a public school to say "do you want a program of 15 euros per child?", they would say it's too expensive.

There are a lot of questions to answer for us. One, how can we sell more, how can we raise our sales?

We are currently trying to disseminate the program with no physical space. Because the physical space will get resources and maybe it's not very interesting unless the municipality wants us and pays for the rent, and pays for the water... and why? Because this is very interesting and it's good for the image, it's good on the business card, but we don't really need it. When we go to schools we do a lot of programs, we involve a lot of children and they don't come here. Only a few come. Because transportation is a cost for schools and the children. So we go there and we transform each classroom in a kitchen. The price is the same if we go in the school or if the school come here.

For us is the same: here or in the school, there is no difference. We go there and we say: "what do you want? You chose". We got schools here coming from 350 km away. They come. From the north of Portugal, they come with the families for a special day in Lisbon, they go to the oceanarium and then they come here, or they go to Mosteiro dos Jerónimos and then they come here. So it happen, they come from all over the country. But it's not the majority. If it's near lisbon they come: from Torres Vedras, Almada. They want to come to the garden and be here. But some others even very close to us (like in Cascais) they specifically ask us to go there. And they pay exactly the same, we get paid exactly the same. So, for instance, eco chefs is in every school in Cascais. So there's a part of the program where we give training for 15 years old children and they get to be volunteers in the projects by teaching to the smaller children. So we get the 15 years old boys and girls from their schools and we bring them here where we train them. They know each other from every schools, they get prepared and then they go to the first grade schools and so on. So it happens, eco chefs happens here but also in the schools. So to summarize, some choose to come here, some others want for us to go there. I'd say half - half. Maybe though there are even more people wanting in the schools because it's easier for the teachers. That's why if I go to Porto to open another Vitamimos I don't want to have a static place, another one. If I go to a social franchising okay, it could happen. But that's a risk. You

know. I could make a franchising, I would choose a person, okay, “are you the right person to have another Vitamimos in Porto?” okay, but I think it’s a risk, because unless you have very special people the franchise.. You know McDonald makes a good choice for the franchise, they follow for one year and it’s very strict. So I am not that powerful so.. I thought about doing that. At the beginning I thought to have one in Porto, to have one in Faro in the Algarve. And the one in Oporto it would be very nice. But I would need an investor, and that would be.. It could be a possibility.. But it would be a big headache with the cafeteria and the restauration, you know it’s Portugal, and with food and restaurants, you know... the law and bureaucracy. So I was thinking about another thing that could be more intelligent. An autocaravan (motor home/van), street food, with all the decorations of Vitamimos, transofrmin in a kitchen that you can park in front of the school or inside the school area and the children can just come in and be there, like this, with tables..

**E:** but the problem with this is the size, because in the autocaravana you can only host 5 or 6 children, no?

**A:** No, but you know just like show cooking, it can be with small cooking sets in the front, if you have the auctocaravana you can have the tent in front of it like when you camp (and Portugal is not so cold, even if it’s winter) and people can sit and come one and other and other. And that we can only use to make profits in festivals with our carrot lollipop. It can be both, it can be much more profitable and we will be where people are. If you have this festival, summer fest, with rock contests, more and more young people choose healthy food and there are not so many choices in these kind of events and you know..there are a lot of family events, events for children, near the beach, in front of the beach, you just choose where you want to park. And it’s not so expensive, it’s much more easier and more interesting and you can just go all over the country if you want. And while the country people can see what Vitamimos is, so you can increase the awareness.

**E:** So one option it would be to find some ways to increase the impact of the company, to reach more children, or to reach a different target. I don’t know if this could be an option but like starting to be present in different environments like maybe universities or maybe as you were saying festivals and events. I don’t know if you were talking only about festivals and events for children or..

**A:** We are already in those events, but we can be in more and with another target also ...yes.. We could reach university students.

Then another possible topic could be “how to get more fundings”. That’s one thing that recently we started to do more, with Geofundos. It’s a platform with several partners where every opportunities of funding of projects international are. And then you can just see what’s there for you can apply.. But we are not very sexy to be sponsored.

**E:** this could be another topic “how can we get more sexy for the sponsors”.

**A:** Yes, that’s a very good topic. “How can we get more sexy for the sponsors, for the funders”. That’s very interesting. You know why? I will tell what I feel. There are two problems. One problem is that we are promoting health, we are not treating a disease. And this approach is not well understood. People don’t understand that when I just think that my first concern was child obesity. So, “what are you doing to make the children lose wait?” and I said them “that’s treatment, that’s secondary prevention, not primary prevention”. My nutritionists are specialist in nutricao comunitaria (community nutrition), it’s the approach that we should reinforce because only 2% of the health budget in Portugal goes to prevention. It should be 9% from the data of OECD. But, it’s not sexy. People say “it’s for prevention..this one is not capable of doing this” and the other is blind and the other is deaf and the money is not infinite. So we are not sexy because when we apply for money there are others that are in circumstances really critical and

this is not seen as a critical one. So how can a project like our can become more sexy? How can our presentation, approach, speech, communication strategies really touch those who decide where the money go? That's an interesting question.

**E:** If I ask you what's the business plan for the next two years, do you have any important change or new project, anything that you think it could will happen in the next two years?

**A:** Yes, we have a new project, we are working on that already. And because we realised why it is so difficult to go in a school with a subject like this, why it is hard to sell, and we came to a conclusion. One is that there are a lot of companies in the food industry that go in the schools and they do it for free. They are powerful and they come in at school and they just offer. Like Nestlé. The schools are not concerned about children's weight, about their food habits. Because the head of the schools have to give good results for the children to the ministry of education and to the parents of the children. That's their concern. They are concerned, but it's not their first concern. So we thought, if they are worried about the results, here is what we do. We came up with this new project that is called "matematica a cozinhar" (cooking with maths). So we are making a collection of books with mathematics problems, exercises from the national curriculum and the recipes. So the target of this new project "matematica a cozinhar" is for students from 6 to 10 years old and now we are starting to go to 12 years old as well. Very soon we are going to text this product.

**E:** How can you introduce these books in the schools, with a partnership with the Government or do you have other ideas?

**A:** We are finishing the contents and we want to make two strong partnerships. One is with the Association of Mathematic Professors in Portugal and with the Portuguese Society of Mathematics in order to validate the contents of the books and so on. With these two we will go to the Ministry of Education and, with a partnership with a school books editor (Porto Editora for instance) that makes exercise books for the summer.. Parents want for their children to do something over the summer and it will be so "wow", the book will be so nice and they will want to buy it because they can cook, there is a recipe and there is mathematics. So you are going to associate something really tasty, nice and fun to mathematics to motivate to this content.

I don't know, I am not sure if we are going to make the partnership with the editor. Becasue our business can be the selling of the book. If we offer for instance the methodology, you know on youtube we make videos with children cooking and explaining how to solve this problem. Other children will see these 2 or 3 minutes videos, and with these videos you can spread all over.. And the teachers get the video.. And even if we want to give this service for free, you know the video for free, they can have the service of our nutritionist being in the classroom (they pay) and they want the book and they pay the books and the books can be our business.

**E:** So do you know when this project will be ready, finished?

**A:** I need a sponsor to pay for the designer and the editor.

**E:** One question I have is: who is taking care of all the business part you know, partnerships, thinking how to sell..

**A:** Everyone is doing it, but the others just want to do the technical part. They are like "tell me what I should do". But they are very enthusiastic. But yeah, mainly me and Vera, my daughter. All the time. She knows exactly everything that happened in Vitamimos from the beginning until now. But going back to Matematica a Cozinhar, I have to get money. We need to pay the design graphics and the illustrations, so what I decided.. Instead of being there waiting, we are already planning the sessions, the cooking thing, and even if we don't have the books no problem, we can

have the program matematica a cozinhar with no books for the beginning so we are now planning the first experiences in schools.

One other idea we have had to sustain the company through cross-subsidization. So we are thinking about an agenda to sell to everyone, mainly for adult population, and it's mainly about water. Saving water. [...]